

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3077 - SB 3186

February 28, 2012

SUMMARY OF BILL: Authorizes any phase I or phase II designated municipal separate sewer system that meets all statutory and regulatory requirements to administer and review its own storm water construction permitting program. Exempts operators of construction sites from the requirement to obtain a storm water protection permit from the Department of Environment and Conservation (TDEC) if the operator is located in the jurisdiction of, and obtains a permit from, a system with its own permitting program. For purposes of promulgating rules and regulations, this bill is effective upon becoming law; for all other purposes the effective date is January 1, 2013.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue –

\$340,000/FY12-13/Environmental Protection Fund

\$680,000/FY13-14 and Subsequent Years/Environmental Protection Fund

Other Fiscal Impact – Any increase in local expenditures or local revenue will be permissive. The net fiscal impact on local government will be not significant.

Assumptions:

- According to TDEC, this bill will allow local governments to operate their own programs without the approval or oversight of federal law. This will serve as an incentive for local governments to opt in. TDEC estimates that 80 percent of construction activity will occur within the jurisdiction of a municipal separate sewer system with a permitting program.
- The average amount of fee revenue collected each year is \$850,000.
- A recurring decrease in state revenue to the Environmental Protection Fund of \$680,000 ($\$850,000 \times 80\%$). Given the effective date of January 1, 2013, the decrease in revenue for FY12-13 is estimated to be \$340,000.
- Current resources within TDEC will be used to administer the new program.
- Based on information provided by TDEC, some local governments have expressed interest in a program that does not charge a fee for these permits. Local governments that choose to opt in may experience a permissive increase in recurring expenditures and revenue. The net fiscal impact on local governments will be permissive and not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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